

Information note on trade in intermediate goods: first quarter 2021



- World exports of intermediate goods (IGs) rose by 20 per cent year-on-year (YoY) in the first quarter of 2021, with exports from Asia increasing the most (28 per cent).
- Growth was strongest for IG ores, precious stones and rare earths (43 per cent) and food and beverages (22 per cent).
- China was the main supplier and purchaser of IGs, while large increases were recorded for Australia's IG exports (61 per cent) and India's imports (49 per cent).
- Africa and South and Central America greatly increased their exports to Asia, such as ores and soybeans, by 41 per cent and 30 per cent, respectively.

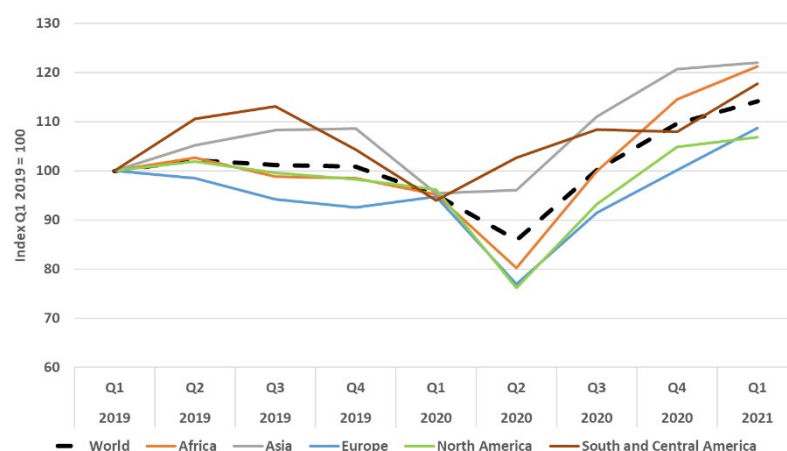
IG exports by region, Q1 2021

World IG exports rose by 20 per cent in Q1 2021, continuing their upward trend after a sharp decline of 16 per cent in Q2 2020, when the COVID-19 crisis was in its early stages.

IG exports from Asia increased the most at 28 per cent. The increase was due in particular to a 41 per cent jump in Chinese exports of industrial IGs, mainly IT/phone parts and photovoltaic cells.

The increase for Africa of 27 per cent was mostly driven by a 38 per cent increase in exports to China (mainly iron ores, copper, diamonds) and an 84 per cent increase to India (mostly gold).

North American exports grew the least at 11 per cent.



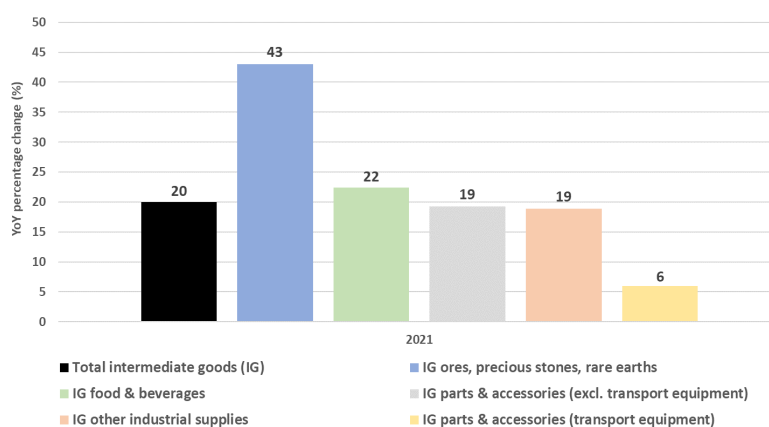
Source: Trade Data Monitor (98 reporting economies, including estimates for Africa).

+20% vs -5%
recovery of trade in supply chains
(growth in Q1 2021 vs Q1 2020)

World IG exports by category, Q1 2021

The most resilient supply chains were for ores, precious stones and rare earths, with exports increasing by 43 per cent, and for food and beverages (up 22 per cent).

The export of transport equipment faced steep declines in 2020 and had one of the weakest recoveries, rising by only 6 per cent in Q1 2021. The COVID pandemic has had a major impact on both demand (drops in sales) and supply (production chain disruption) for automotive manufacturers.



Source: Trade Data Monitor.

IGs are inputs used to produce a final product. They range from crops used in food production to textiles and metals needed to manufacture goods. Trade in intermediate goods is an indicator of the activity in supply chains, which was severely impacted in the early stages of the COVID-19 crisis. The share of IGs in total trade (excl. fuels) in Q1 2021 was 51 per cent, a ratio that remained constant over the last decade.

Top IG exporters, Q1 2021

China was the main IG supplier, with exports increasing by 41 per cent YoY.

The large increase in Australia's IG exports (61 per cent) was mainly from iron ore concentrates used by the steel industry which represented nearly 60 per cent of the country's IG exports.

Italy saw an increase in IG exports of 18 per cent, mainly due to shipments of automotive parts and precious metals (gold, platinum group metals) to Germany and Switzerland.

Top IG exporters			
Rank	Exporter	US\$ bn	YoY change (%)
1	China	304	41
2	United States	190	12
3	Germany	176	11
4	Hong Kong, China	103	35
5	Japan	91	9
6	Korea, Rep. of	90	13
7	Netherlands	74	13
8	Chinese Taipei	74	28
9	Singapore	63	17
10	France	61	12
11	Italy	61	18
12	Belgium	58	12
13	United Kingdom	56	14
14	Australia	50	61
15	Canada	49	14

Source: Trade Data Monitor.

Top IG importers, Q1 2021

China was the main purchaser of IGs. Its imports grew by 37 per cent, reflecting the dynamic recovery of the economy.

India was a major IG importer (49 per cent increase), due essentially to shipments of electrical and electronic parts from Chinese companies as well as raw diamonds and gold materials from Switzerland and the United Arab Emirates.

Italy, the first country in Europe to be hit by the health crisis, had the strongest European growth in IG imports (20 per cent), especially of diagnostic and laboratory reagents from European companies.

Top IG importers			
Rank	Importer	US\$ bn	YoY change (%)
1	China	369	37
2	United States	226	8
3	Germany	144	11
4	Hong Kong, China	101	26
5	India	76	49
6	France	68	9
7	Japan	66	9
8	United Kingdom	66	1
9	Netherlands	66	10
10	Korea, Rep. of	65	18
11	Mexico	62	7
12	Italy	59	20
13	Singapore	55	11
14	Chinese Taipei	51	27
15	Belgium	51	8

Inter- and intra-regional IG trade, Q1 2021

Totaling US\$ 635 billion, Asia's intra-regional trade was the highest regional trade flow, growing by 30 per cent YoY in Q1 2021.

Africa and South and Central America increased markedly their exports of inputs to Asia (i.e. soybeans, other food ingredients, ores), by 41 per cent and 30 per cent, respectively.

Asian growth in exports to Africa (up 30 per cent) was mainly due to increases in palm oil, woven fabrics, automotive parts and accessories as well as vaccines. While the 47 per cent rise with South and Central America was borne by shipments of photovoltaic cells as well as gear boxes for motor vehicles.

A substantial increase (24 per cent) in North American exports to Asia was mainly due to agricultural inputs, likely related to the US-China Phase One deal (i.e. soybeans, corn, cotton), processors and integrated circuits.

Although with low levels of trade, African industries reinforced their participation in supply chains by increasing IG exports to all regions. At 11 per cent, however, growth in intra-regional trade remained weak.

		YoY change (%)				
		Africa	Asia	Europe	North America	South & Central America
Importer→	Exporter↓					
Africa	Africa	11	41	22	28	15
Asia	Africa	30	30	22	21	47
Europe	Africa	7	29	15	5	21
North America	Africa	25	24	7	7	9
South & Central America	Africa	12	30	22	19	18

Note: Diagonal represents intra-regional trade while off-diagonal percentages stand for inter-regional trade.

Source: Trade Data Monitor (including estimates for Africa).